

FEDERAL FINANCING PROGRAMS



LUCAS COUNTY
IMPROVEMENT CORP.

Agency/Program

Community Development Block Grants (CDBG) Economic Development (ED) Program

Eligibility

- Grants to eligible small cities or non-urban counties

Note: Toledo is not eligible; Oregon and Maumee apply directly to the State; all other communities apply through Lucas County.

- Commercial or industrial user or developer
- Fixed assets related to commercial or industrial development or infrastructure

Requirements

- Create/retain at least 5 jobs
- 1 job per \$10,000 (grant) or \$25,000 (loan)
- Target 51% of jobs to low-to-moderate-income (LMI) persons
- Complete environmental review
- Federal prevailing wage rates apply to construction
- 50% maximum participation by CDBG
- Minimum 5% equity

Rates/Terms

- Maximum \$500,000 (loans)
- Maximum \$400,000 (grants) for low infrastructure only
- Low, fixed rate based on need
- Greater bank security
- Rate and term flexibility
- Capitalizes local revolving loan fund program

Contact

Office of Housing and Community Partnerships (OHCP),
Ohio Department of Development (ODOD)
1-800-848-1300 or (614) 466-2285

Agency/Program

Small Business Administration (SBA) 504 Loan Program

Eligibility

User's net worth less than \$6 million or, after tax,
2-year profit average under \$2 million

Requirements

- Fixed assets only: land, building, machinery and equipment
- Cash flow must be greater than debt service
- Appraisal
- Create 1 job for every \$35,000 received

Rates/Terms

- 10-20 year terms, depending on life of asset
- Maximum \$750,000, up to 40% of total project cost
- Fixed at 1% above treasury bond rates

Contact

Toledo-Lucas County Port Authority
(419) 243-8251

Agency/Program

SBA 7a Guaranteed Loan Program

Eligibility

- Existing or start-up business
- SBA size standards
 - Manufacturer/Wholesaler-less than 500 employees
 - Retail/Service-Annual receipts less than \$3.5 million
 - Construction-Annual receipts less than \$17.8 million
- Equity 25%

Requirements

Fixed assets, inventory, working capital

Rates/Terms

- Bank loan guaranteed by SBA
- Maximum guarantee: 90% under \$150,000; 85% up to \$750,000
- Maximum rate: Less than 7 years, prime +2 1/4%; more than 7 years, prime +2 3/4%
- Term up to 25 years based on use/life of assets

Contact

Work through local banks

Agency/Program

Small Business Administration GreenLine Revolving Line of Credit

Eligibility

- Operating capital, inventory and consolidation of short-term debt caused by fluctuations in cash cycle
- Existing or start-up business

Requirements

- Applicant must be of good character and demonstrate management ability
- Feasible business plan
- Adequate equity or investment in business
- Secured by first lien on assets being financed. Secondary liens on machinery and equipment, real estate and personal assets may be required.
- Personal guarantees required

Rates/Terms

- Maximum loan: Up to \$750,000
- SBA guarantees 75%
- Maximum rate: 2.25% above prime
- Maturity: 5 years
- Fees are charged

Contact

Work through local banks

Agency/Program

Small Business Administration Low Documentation Program (LowDoc)

Eligibility

- Entrepreneurs
- Established small businesses
- Low-documentation program designed to be easier
- Average annual sales for the preceding 3 years do not exceed \$5 million and employ 100 or less, including affiliates

Requirements

- Complete only front side of one-page application
- Personal financial statements required
- Loans over \$50,000–Copy of U.S. Income Tax Schedule C or front page of corporate or partnership returns for past 3 years

Rates/Terms

- SBA guarantees up to 90% of loan
- Terms negotiated with lender within the following maximums:
 - Maximum loan: \$100,000
 - Maximum rates
 - * Less than 7 years–2.25% over prime
 - * More than 7 years–2.75% over prime
 - * Under \$50,000 maturity–25 years for fixed assets, 10 years for all other uses

Contact

Work through local banks

Agency/Program

Economic Development Administration (EDA), U.S. Department of Commerce (DOC)

Eligibility

- Public infrastructure
- Restrictions apply to private property owners benefiting from EDA-funded public improvements
- Must have current Comprehensive Economic Development Strategy
- Must be invited to submit pre-application and full application

Requirements

- Create and/or retain jobs
- Identify matching funds
- Meet Equal Employment Opportunity (EEO) and nonrelocation requirements

Rates/Terms

- For projects between \$500,000 and \$5 million
- Up to 50% of public costs
- Limited funds available

Contact

U.S. DOC, EDA, (614) 469-7314 or regional office in Chicago, (312) 353-8143